

ON FILE 8-9

WASHINGTON TIMES
16 December 1986

Overdose suspected in death of key Contra probe witness

By James Morrison
THE WASHINGTON TIMES

Steven Carr — a key witness in efforts to prove Nicaragua's anti-communist rebels smuggled drugs, plotted to assassinate a U.S. ambassador and illegally smuggled guns from the United States — has died of a "possible drug overdose," according to Los Angeles Police.

His death is a "blow" to a Senate investigation into the charges and to a related civil lawsuit filed in Miami federal court against 29 defendants, including many now implicated in the Iran arms scandal, a source close to the investigation said.

Carr, 27, of Naples, Fla., collapsed outside a home in Van Nuys near Los Angeles at 4 a.m. Saturday, said police Officer Rodney Manning. The Los Angeles coroner's office was still examining the results of toxicology tests late yesterday to determine the exact cause of death.

One source said Carr had expressed fear for his life and claimed the CIA was trying to kill him. But his death is being investigated as a cocaine overdose, a police spokesman said.

Los Angeles Police Detective Melvin Arnold has interviewed several of Carr's friends who said he had ingested "a bag of cocaine" at a party.

Carr, a convicted felon, claimed to have first-hand knowledge of U.S. government involvement in a private network to arm the Nicaraguan rebels during a time when it was outlawed by Congress.

But in letters written during a year-long incarceration in a Costa Rican prison, he retracted many of those statements and said two American journalists, who filed the Miami lawsuit, bribed him to implicate others in illegal activities.

Following his release from Costa Rica's La Reforma prison and return to Florida, where he was arrested for a probation violation, he gave interviews and appeared on television news shows in which he repeated many of the statements he had retracted before.

Despite his conflicting statements, Daniel Sheehan, an attorney for journalists Martha Honey and Tony Avirgan, planned to use Carr as a key witness in a \$22.4 million Miami lawsuit. It alleges a wide-ranging conspiracy, which Mr.

Sheehan has said is proven by daily revelations of the administration-backed Iran arms sales that allegedly diverted proceeds to the rebels.

The lawsuit charges the defendants with smuggling drugs to pay for arms shipments to the resistance and with plotting to kill U.S. Ambassador to Costa Rica Lewis Tambo to

collect a \$1 million bounty offered by South American cocaine kingpins.

Carr identified Rob Owen as a key figure in the arms shipments. Mr. Owen privately has denied any involvement in gun-running, although he has admitted helping to raise non-lethal aid for the resistance, a source close to Mr. Owen said.

Rebel sources have identified Mr. Owen as their link to Lt. Col. Oliver North, the alleged mastermind of the scheme to divert profits from Iranian arms sales to the rebels. Col. North was fired from his National Security Council post Nov. 25 for his role in the covert operation.

Mr. Owen is also one of the defendants named in the Avirgan-Honey suit. Others named in the suit include retired Air Force Maj. Gen. Richard Secord and Albert Hakim, identified as playing key roles in the Iran-Contra connection, and retired Army Gen. John Singlaub, who raised money for the Nicaraguan resistance.

Carr earlier admitted loading and escorting a shipment of arms from Florida to El Salvador in March 1985. A month later he was arrested along with four other adventurers during a police raid on a rebel camp in Costa Rica.

In a prison interview soon after his arrest, he told FBI agents that he never actually saw the weapons, only boxes that he was told contained the arms.

Carr was released from prison under mysterious conditions and returned to Naples, where he surrendered to police in June and began serving a five-month jail term for violating probation. He was convicted in 1984 on forgery and grand theft charges.

His Florida attorney, Gerald Berry, said Carr never fully explained how he was released from prison in Costa Rica.

"He said U.S. government officials had gotten him out of La Reforma," Mr. Berry said in a telephone interview.

Mr. Sheehan, an attorney for the General Christie Institute of Washington, said Carr "knew about the private suppliers, from the small guys all the way up to Owen, which puts you on Ollie North's doorstep."

He said Carr's testimony in the Miami lawsuit would have focused on his participation in a rebel supply mission on March 6, 1985, that began in Florida and involved unloading weapons at El Salvador's Iapongo air base.

Mr. Sheehan characterized Carr as "a mercenary, a right-wing, adventurous character with a history of drug abuse, but who was very educated about it."

In several letters from prison and in an affidavit filed in Costa Rica, Carr repeatedly claimed he had lied to the two journalists in exchange for their promises of money and help in getting him out of prison.

Some of the letters were written to John Hull, an American rancher in Costa Rica who the lawsuit charges was a CIA contact overseeing the conspiracy. Mr. Hull has denied working for the CIA, saying he has provided only emergency medical assistance for wounded Nicaraguan rebels.

In one letter, he wrote, "I have unknowingly lied" about charges of Mr. Hull's involvement in the alleged conspiracy. He added that "extreme leftist organizations have manipulated me into giving a totally distorted view of my involvement."

In another letter, he claims, "I can still destroy Martha Honey and prove we were fed information and bribed, in a small way."

He wrote to Mr. Hull for "financial assistance to get to France to join the Legion." And, in another letter, he says, "Most of my life I've done wrong and lived off hurting other people. Since I've been in jail this time, I've been able to read a story of Jesus Christ in the Bible and learned much I didn't want to learn because it had shown me of all the hurt and evil I've done."